

**TREMONTON CITY CORPORATION  
REDEVELOPMENT AGENCY  
February 17, 2015**

Board Members Present:

Roger Fridal, Chairman

Diana Doutre, Board Member

Lyle Holmgren, Board Member – excused

Jeff Reese, Board Member

Bret Rohde, Board Member

Byron Wood, Board Member

Shawn Warnke, Executive Director

Darlene Hess, Executive Secretary

Chairman Fridal called the Tremonton Redevelopment Agency Meeting to order at 8:15 p.m. The meeting was held in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Chairman Fridal, Board Members Doutre, Reese, Rohde, and Wood, Executive Director Warnke, and Executive Secretary Hess. Board Member Holmgren was excused.

1. Approval of agenda:

**Motion by Board Member Doutre to approve the February 17, 2015 RDA agenda.**

Motion seconded by Board Member Reese. Vote: Board Member Doutre - aye, Board Member Reese - aye, Board Member Rohde - aye, and Board Member Wood - aye. Motion approved.

2. Approval of minutes – July 15, 2014

**Motion by Board Member Wood to approve the minutes of July 15, 2014.** Motion seconded by Board Member Doutre. Vote: Board Member Doutre - aye, Board Member Reese - aye, Board Member Rohde - aye, and Board Member Wood - aye. Motion approved.

3. Public Hearing

Chairman Fridal called the Public Hearing to order at 8:17 p.m. to discuss the draft Tremont Center Community Development Area Project Area Plan and related matters. There were 18 people in attendance.

- a. Public Hearing on the draft Tremont Center Community Development Area Project Area Plan and related matters wherein the public may comment on: 1) the draft project area plan; and 2) whether the draft project area plan should be revised, approved, or rejected; and 3) receive all written and hear all oral objections to the draft project area plan.

Director Warnke remarked on the decline of Main Street. In the 60's a freeway came through Main Street and brought a lot of traffic. Several factors contributed to the decline of Main Street including less traffic and job losses. The infrastructure on Main Street is old or missing; and the building façade on Main Street are in disrepair or missing sign copies.

The City Council discussed the concerns associated with Main Street back in 2012. The City applied for and received a \$20K grant to help with Main Street Planning. The Grant was a 1:1 match with some of the funds being used toward another grant that provided in-kind assistance. The City paid \$5K to the American Institute of Architects (AIA) to bring a team to Tremonton to evaluate Main Street, facilitate public input sessions, and provide recommendations. The City hosted a planning/picnic session at Shuman Park to encourage public participation of Main Street revitalization.

The Sustainable Design Assessment Team (SDAT) recommended that: 1) residents be involved, 2) work on branding campaign for the City, 3) create partnerships, and 4) work on store fronts. The SDAT also identified “catalyst” sites. One “catalyst” site was the thirty-eight acres now being proposed for the Tremont Center Community Development Project Area Plan, which is located in the center of town and joins Main Street. Because the area is a greenfield site, the Developer and the City have a lot of flexibility to create a development that could positively improve Main Street.

The Developer has purchased the thirty-eight acres. Tremonton City has adopted a specific zone for the development called the Tremonton Center Overlay Zone. A mixed used development has been contemplated, which would include residential, commercial, office, and retail. One challenge with this greenfield site is the canal, which parallels Main Street. The proposed layout and form of the development from the SDAT is comparable to the existing Main Street layout and form. The approved Concept Plan shows commercial buildings along the frontage with the bigger box retail store in the middle of the development with residential and other commercial along 400 West.

It is proposed that the RDA Board consider creating a Project Area and Project Plan. The proposed Project Area includes the thirty-eight acres as well as property with frontage on both sides of Main Street all the way to 200 East. With the creation of a Project Area and the adoption of a Project Plan, the RDA (Redevelopment Agency) would have the potential to receive tax increment. The taxing entities could participate in the Project Area by allowing the RDA to receive the tax increment (that is the growth in property taxes attributed to increased property values and taxes paid with the development of the thirty-eight acre greenfield site) for a period of time. The tax increment would help fund necessary improvements along Main Street and facilitate the thirty-eight acre development.

Director Warnke gave a summary of the Project Area which includes seventy-three acres and one hundred and nine parcels, with three parcels being the center of the development effort or the thirty-eight acres. The Project on the thirty-eight areas will be mixed use and need significant infrastructure needs, including the burial of the canal. Based on the square footage and the type of usage, it is estimated to create a thousand new retail jobs. Based on the Concept Plan, the Development Assumptions include: 24-Plexes of Residential, Commercial, and Commercial 4-Plexes, Office Space, Retail, and Grocery.

The proposal to the taxing entities would be to authorize the RDA to receive 75% of the increment for fifteen years or up to \$4.3M, whichever occurs first. Currently, there is \$148K total being paid in taxes to the taxing entities for the Project Area, including all one hundred and nine parcels. As improvements are made in the Project Area, the property valuation increase and consequently property taxes paid will increase, which is the tax increment.

During the fifteen year period, the taxing entities would receive 25% of the tax increment, or estimated \$2.1M of the anticipated growth. Director Warnke emphasized that in order for there to be increments, new development must occur. The anticipated incremental tax revenue at 75% would be \$6.4M if completely built out, based on the development assumptions. After the fifteen year time period, all the taxing entities would benefit by receiving an estimated \$800K annual increase from new development.

The projected expenses are flexible and can be adapted as the development assumption change. There are infrastructure related improvements. There is \$1M budgeted for the burial of the canal. There would also need to be bridges and right-of-way improvements over the buried canal with a cost of \$300K. The overhead power lines will be buried. Some waterline improvements need to be done for the development to move forward. Part of the waterline improvements include boring under the canal. It is proposed that there be a right-of-way extension on 480 West. The right-of-way is stubbed behind Top Lube. It is hoped that one of the accesses into the Tremont Center can line up with the right-of-way behind Top Lube. The property owner of the land between Main Street and 480 West has not been contacted at this point. Money has been set aside to make the connection straight through.

Some other expenses would include the demolition of homes within the thirty-eight acre site and façade improvements to existing Main Street buildings. Director Warnke remarked that these are conceptual. There are a lot of factors that need to be approved and occur before the programs can be instituted. It is envisioned that there be a 1:1 grant up to a certain dollar amount to help incentivize property owners to improve façade.

There are some streetlights that need to be replaced. They will be replaced with pedestrian scale streetlights. There are some public realm improvements that are included in the budget in and along Main Street. Another expense would be for

trees on Main Street and the public road that is envisioned in the Project Area. There are also plans for a public plaza. The projected expenses total \$4.3M. If the RDA approves the Project Area, the next step would be to do public notices in accordance with State Law. Then the governing bodies of the local taxing entities would need to adopt an inter-local agreement to consent to giving the increment to the RDA for a period of time.

The benefits to the taxing entities would be: 1) enhanced property value in the downtown area, 2) the potential for increased investment would be \$55M based on the thirty-eight acre site. It is an ambitious project and Director Warnke is optimistic that there could be that much growth in Tremonton; however, if the \$55M in growth isn't realized, then the increment would be much less.

Director Warnke stated that site selectors of large economic development make a lot of assumptions on the vitality of the community as a whole and the economy based on downtown. When Clif Bar was looking at Tremonton as a new location to build/invest \$100M into a food manufacturing facility, they looked at Tremonton's downtown and ultimately decided not to build here. Main Street holds a lot of opportunity and promise. There is room to improve and see investment occur in downtown. Focusing on downtown and Main Street would help in other economic development pursuits.

**Brent Potter** from the Brigham/Tremonton Board of Realtors stated that it seems a touch ambitious on the number of jobs and amount of anticipated revenue. Mr. Potter is a little concerned that by spreading the project area out so far it may take a lot longer to revitalize downtown than has been proposed. Commerce has always been dependent on transportation. It would seem that the more transportation in the area would require more parking. Parking off of Main Street might need to be considered. It seems just a touch ambitious with the numbers. Mr. Potter assumes that arrangements have been made regarding the State road and the canal company.

**Brandy Greer** asked what public realm improvements mean and why so much money set aside for trees. Director Warnke noted that any of the amounts within a line item could change. The amounts are estimates and could move between line items as changes are made. There is also provision in the project plan that allows the RDA to fund like improvements. It is proposed to the taxing entities that there be a hard cap of \$4.3M or fifteen years, whichever occurs first. Public realm improvements could be a variety of different things. It could include sidewalks, crosswalks, drinking fountains, or bathrooms. Any of the items listed could fit in public realm improvements. Ms. Greer asked if the details would be firmed up as it goes along. Director Warnke noted that this is just the first step of many that needs to be followed before the plan comes to fruition.

The taxing entities have been approached on an administrative level. The taxing entities' administrative staff suggested that the governing boards would authorize

the RDA to receive a portion of tax increment. Once approval was obtained from the taxing entities, the RDA would work with the developer, Micah Capener, to come up with a development agreement that would divide the increment. Some of the infrastructure needs would be addressed on the thirty-eight acre site so there would be increment available. The decision about public realm improvements could be decided after the steps have been taken. It is envisioned that the RDA would enter into an agreement with the City to see the improvements were made. Ms. Greer is really excited about the prospects. The downtown area is really depressing. It would be good to have people shopping in town instead of going to Logan.

Director Warnke noted that all the numbers discussed tonight have been related to property tax. The project plan envisions a lot of retail and commercial development which could generate sales tax. Box Elder County receives 1% of sales tax. Tremonton City would also realize some sales tax increases. It would create more shopping opportunities for those in town and keep sales local.

**Tom Greer** from Greer's Hardware stated that the City has gone out looking for new industry. It is great to have good clean industry and bringing jobs into town. Even if new jobs were realized in Tremonton, the downtown area doesn't look great. People would move to Logan and commute for work. It has been that way for a long time. There were a lot of people that worked at La-Z-Boy and ATK that did not live in town. The City needs a shopping district in town if we want to keep people here. Parking is a real problem and has deteriorated business at Greer's Hardware quite a bit. People tell Mr. Greer they like to shop at Greer's Hardware but can't find parking. They will drive by a couple times looking for parking then end up going somewhere else. Eventually, people will quit trying to find parking and will just go elsewhere to begin with. Part of the reason people shop out of town, could be because of parking concerns. The shopping center will really help out along with revitalizing downtown. If more parking can be figured out, it will bring more people to town to shop. People are lazy and don't want to have to walk a block. Mr. Greer appreciates what the RDA is trying to do and believes it will help the City.

Councilmember Rohde asked for clarification that to receive money the City needs new business coming in to help the development move forward. Chairman Fridal confirmed that. Councilmember Doutre stated that business owners on Main Street probably wonder what needs to be done and how it will help their business. Some may wonder if the new businesses in the development will hurt their business.

Director Warnke has heard that having a commercial district creates synergism. There is a bigger box retail that is considered that may have lower costs. Generally, there is synergism with retail. Hopefully some pass by trips will be realized by existing businesses. Infrastructure can help business - parking as Mr. Greer mentioned. Providing grants and investment of funds in infrastructure on

the thirty-eight acre site would encourage more people to stay in town for shopping.

Councilmember Doutre pointed out that modern streetlights have been looked at. Part of the public realm would be dressing up and revitalizing what is downtown. Existing businesses are the backbone of the City and the City would like to take care of them too. Director Warnke attended training today that spoke of places people frequent. They are work, home with the third place being a place to hang out. Midland Square is under utilized. Some improvements could be made that would encourage people to linger in the downtown area. If people in town don't hang out downtown, then no one else will want to come. If some of the money is used to help with infrastructure, it can benefit the City. It is not a total solution, but could create momentum to help address issues related to Main Street.

Councilmember Rohde asked if there were numbers showing how many people shop in town vs. out of town. Director Warnke commented that a brief analysis was included with the information from SDAT. An economist with the SDAT focused on retail and included projected numbers for leakage.

**Jeff Archibald** with Archibald and Sons has been watching a similar forty acre parcel up for development in Elwood. Mr. Archibald is a resident of Elwood and business owner in Tremonton on Main Street. Business owners understand creating a return on investment. The previous discussion of new competitors helping existing businesses should not play a large factor in the decision to move forward. Mr. Archibald does not believe the valley has enough buyers to support two new grocers, one on Main Street in Tremonton and the other potentially in Elwood. The grocery store in Elwood would be right off the exit and it might be more convenient for people to stop there and shop instead of driving to the new development on Main Street.

**Ms. Greer** does not know the number of residents that shop in town, but she does not shop in town. Most people she knows go to Logan to shop. It is too hard to shop here. You can't always find what you need at King's and now Alco is closing. It is not convenient to get children in and out while shopping. During snowy months, there is a snow bank to cross, which is very hard with little children. During the sixteen years Ms. Greer has lived in Tremonton, it has always been that way. Ms. Greer tries to stay in town to shop, but it is difficult. Ms. Greer does not think she is unique in this aspect and believes that the majority of wives (they do most of the shopping) go out of town to shop.

Councilmember Rohde commented that there is not a large enough selection of restaurants to choose from in town and would like to see more. Chairman Fridal thanked everyone for the input.

Chairman Fridal closed the Public Hearing at 9:00 p.m.

4. New Business:

- a. Discussion and consideration of adopting Resolution No. RDA 15-01 of the Board of Directors of the Tremonton City Redevelopment Agency approving the Tremont Center Community Development Project Area Plan and related matters

**Motion by Board Member Reese to approve Resolution No. RDA 15-01.** Motion seconded by Board Member Rohde. Roll Call Vote: Board Member Doutre - aye, Board Member Reese - aye, Board Member Rohde - aye, and Board Member Wood - aye. Motion approved.

5. Adjournment

**Motion by Board Member Doutre to adjourn the RDA meeting.** Motion seconded by Board Member Wood. Vote: Board Member Doutre - aye, Board Member Reese - aye, Board Member Rohde - aye, and Board Member Wood - aye. Motion approved. The meeting adjourned at 9:02 p.m.

The undersigned duly acting and appointed Executive Secretary for Tremonton City Corporation Redevelopment Agency hereby certifies that the foregoing is a true and correct copy of the minutes for the RDA Meeting held on the above referenced date. Minutes were prepared by Cynthia Nelson.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

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Darlene Hess, Executive Secretary